

Hospital Supplier Diversity Program: Revised Requirements

Assembly Bill 1392 (Chapter 840, Statutes of 2023) expands the Department of Health Care Access and Information's (HCAI) existing Hospital Supplier Diversity Program, and the data California hospitals report to HCAI and that HCAI subsequently publishes to its website for public transparency. The bill adds new hospital supplier diversity reporting requirements for a plan for increasing procurement from diverse suppliers, which includes short- and long-term goals and timetables for increasing procurement from those business enterprises; information on appropriate contacts for interested business enterprises and a description of the hospital's procurement process; and planned and past implementation of relevant recommendations made by the HCAI Hospital Supplier Diversity Commission (HSDC).

This bill also requires HCAI to undertake outreach and provide assistance, in consultation with the HSDC, to hospitals, manufacturers, vendors or group purchasing organizations, and diverse business enterprises. The focus of the outreach and assistance will be to support hospitals in implementing commission recommendations and supporting diverse businesses who are seeking to be a supplier for a hospital, manufacturer, vendor, or group purchasing organization (GPO) of hospital goods and services. HCAI is also required to work with the commission to establish guidelines for hospitals to voluntarily utilize when pursuing procurement efforts, activities, or programs.

Additionally, the bill expands the HSDC by adding two additional members - one to represent GPOs, who are key members of the hospital procurement ecosystem, and one additional member, at the discretion of the HCAI Director. The bill also broadens the commission's charge to provide recommendation on outreach and assistance and develop the guidelines as described above.

Lastly, upon appropriation, the bill authorizes HCAI to establish and operate a supplier diversity clearinghouse and verify the statuses of minority, women, LGBT, and disabled veteran business enterprises that are prime suppliers or subcontract suppliers to hospitals or other entities in the procurement ecosystem of hospital goods and services, as specified.

For more information, please contact supplier.diversity@hcai.ca.gov.

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